

**Business Agreement  
between  
SouthEast Alaska Regional Health Consortium and Juneau Youth Services  
regarding  
The Montana Creek Residential Program  
October 4, 2006**

**Purpose of Agreement**

The purpose of this agreement is to set forth the collaborative framework between SouthEast Alaska Regional Health Consortium (SEARHC) and Juneau Youth Services (JYS) regarding the operation of the Montana Creek Residential Program at the Montana Creek Residential Program Facility ("facility").

SEARHC is a tribal organization within the meaning of 25 USC § 450f(d) that provides health care services in Southeast Alaska to American Indians, Alaska Natives and other eligible individuals in a manner that is appropriate to their cultural values and traditions, under the Alaska Tribal Health Compact and funding agreement with the Indian Health Service (IHS) authorized by Sec. 325 of P.L. 105-83 and Title V of the Indian Self-Determination Act of 1975, 25 U.S.C. §§ 450, *et seq.*, Pub. L. No. 93-638, as amended. SEARHC is a consortium of federally-recognized tribes incorporated as a non-profit corporation under the laws of the State of Alaska.

JYS is a non-profit corporation incorporated under the laws of the State of Alaska to provide behavioral health services to Alaska youth in need of such services.

JYS and SEARHC have been working together to develop the new facility and program for the past two years at the behest of and in close collaboration with the State of Alaska's Department of Health and Social Services, and with the support of the Denali Commission, the Rasmuson Foundation, and the Alaska Mental Health Trust Authority. This project responds directly to a significant unmet need in Southeast Alaska. Local and statewide community planning efforts have identified the need for increased residential treatment capacity in Southeast Alaska for youth with intensive behavioral health problems. Many of these youth -- both Native and non-Native -- have been referred by necessity to out-of-state facilities to receive intensive residential care due to its lack of availability in Southeast Alaska. Both SEARHC and JYS are committed to providing behavioral health services to youth that are as close as possible to their homes, communities, and natural support systems.

JYS and SEARHC place a high value on interagency collaboration and agree to cooperatively provide services to both Native and non-Native Alaska youth within the facility. To this end, SEARHC and JYS agree to utilize the training, skills, and experience of each agency to provide culturally-sensitive and age-appropriate treatment to the residents of the facility.

JYS and SEARHC will use their existing corporate structures to implement this agreement; this agreement and its attachments dictate the respective roles and

responsibilities for JYS and SEARHC regarding the facility and program. The agreement does not involve the creation of, or result in, any new legal entity such as a partnership, joint venture, or limited liability corporation.

#### Points of Contact

1. The main point of contact for JYS for this agreement will be the Executive Director.
2. The main point of contact for SEARHC for this agreement will be the Division Director for Behavioral Health.

#### General Information Regarding the Facility and Program

1. The facility is a 15-bed, level 4 treatment facility located at 10801 Black Bear Road in Juneau, Alaska (beside the Miller House). The name of the Montana Creek Residential Treatment Facility may change. If so, it would affect only the name of the facility, and no other aspect of this Business Agreement or the cooperative or operational relationship between JYS and SEARHC.
2. The facility has 7,212 square feet in the main facility and 2,119 in an attached gymnasium.
3. The program will be co-ed and serve youth ages 12 to 18.
4. The program is part of the "Bring the Kids Home Initiative". Its main purpose is to provide services to Southeast Alaskan youth who are currently in out-of-state treatment facilities, and to prevent others from needing to leave the state for care.
5. The program will be culturally-based and will target Native youth in Southeast Alaska. The program may also serve non-Native youth.
6. The program will specialize in treating youth with co-occurring mental health and substance abuse disorders. The program will weave together elements of mental health and substance abuse expertise from the two agencies.
7. The program will also explore the feasibility of developing specialized services for youth with Fetal Alcoholism Spectrum Disorders (FASD) and other cognitive impairments.

#### Facility Development, Ownership and Liability Issues

1. JYS and SEARHC have collaboratively addressed all major design and space utilization issues regarding the facility.
2. JYS is the owner of the facility, and as such is responsible for all costs, grants and loans associated with building the facility.
3. JYS is the lessor and SEARHC is the lessee for the facility. Details of the lessor/lessee relationship are set forth in the attached lease agreement, which is hereby incorporated by reference.
4. SEARHC is a party to the Alaska Tribal Health Compact with the Indian Health Service and has an Annual Funding Agreement with the IHS. Claims against SEARHC that fall within the scope of the Compact and SEARHC's Annual Funding Agreement are deemed to be claims against the United States that are covered by the Federal Tort Claims Act (FTCA), 28 U.S.C. §§1346, 2401 and 2671-2680, pursuant to 42 U.S.C. § 233, 25 U.S.C. § 450f(d) and 25 U.S.C. § 1680c(d), § 314 of P.L. 101-512, as amended. SEARHC agrees that it will submit all such claims to the United States and use its best efforts to secure the United States' agreement to defend and indemnify SEARHC and JYS for such claims. Because of the nature of the FTCA,



SEARHC does not represent or warrant that any or every claim against JYS, or SEARHC, will be covered by the Federal Tort Claims Act or that the United States will agree to defend or indemnify JYS or SEARHC for any or every such claim. To address risk JYS will retain insurance coverage related to actions and inactions in relation to the new facility and its operations.

#### Program Development

1. JYS and SEARHC are collaboratively addressing program development issues including: program philosophy; treatment models and approaches; program standards; staff training; and policies and procedures.
2. JYS is responsible for developing the written documentation for all elements of program.

#### Program Operations

1. SEARHC will contract with JYS to be the operator of the facility. JYS will operate the facility and will be responsible for all aspects of program operations.
2. SEARHC will be the enrolled provider with all payers, including Medicaid, for all behavioral health services provided within the facility.
3. JYS will act as SEARHC's billing agent with all payers for the behavioral health services provided in the facility.
4. SEARHC will reimburse JYS on a monthly basis for all reimbursable behavioral health services provided within the facility, which have been billed under item #3 in this section.
5. In the event that any financial audit indicates that funds must be repaid to a payer, as set forth in the attached Professional Services Agreement, which is hereby incorporated by reference, JYS will fully reimburse SEARHC for any financial payback to the payer (including fines, penalties, and interest).
6. Both agencies will exercise quality assurance functions in accordance with governing law and the appended professional services agreement. SEARHC will have ultimate responsibility for quality assurance for client services provided within the facility.
7. Specific details regarding program operations are set forth in the attached professional services agreement between JYS and SEARHC.
8. Both parties will comply with all legal requirements regarding confidentiality of client information. Specific details regarding confidentiality are set forth in the attached HIPAA business agreements.
9. Neither JYS nor SEARHC has the actual or apparent authority to bind the other in any legal or equitable manner unless such authority is specified in a binding written contract between these parties.
10. SEARHC and JYS may expand the scope of this agreement, but any such expansion must be in writing, whether through another contract or through an amendment to this agreement.

#### Business Agreement Duration and Effective Date

1. This business agreement is effective upon the latest date for the signatures below.
2. Either party may terminate the agreement with or without cause with six months' advance written notice from the authorized representative to the other party, or

without prior notice in the event of willful negligence an/or actions by the other party that endanger clients or management.

3. This contract shall automatically terminate should either party have its Alaska Business license terminate for any reason, or should either party lose its eligibility to provide state and federally funded health care services, including Medicaid services, or should it lose any professional licensure required to perform this contract.
4. The expectation is for this to be a long term business agreement. Unless terminated as indicated under 2, this agreement shall remain in effect for 5 years from the effective date, and will be renewed in increments of 5 years.
5. The agreement may be modified with the signature of the authorized representatives listed below.

Authorized Representatives:

Kenneth Brewer 10/4/06  
Kenneth Brewer                      date  
President/CEO  
SEARHC

Walter Majoros Oct 4, 2006  
Walter Majoros                      date  
Executive Director  
Juneau Youth Services